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Records are broken all over

Henry Stein
Engineering Editor

It has been a month of record shattering for the electric power-producing industry. All over the country, demands hit new highs in June and July, as reported to *EL&P* by a number of electric companies.

On the "other side of the coin", the Edison Electric Institute noted that the week of July 25, 1987, topped the previous year's high for generated output by 5.7 percent with a whopping 60,564 GWh. (The previous high of 57,324 GWh was exactly a year ago, over the week of July 26, 1986.)

As if this was not bad enough, the week ending August 8th saw output go up again, to 60.7-billion kWh. EEI attributes the peaks to weather conditions, but also to economic growth in the United States.

New highs listed

Some examples of the new demand highs in 1987 from the utilities follow:

- On June 16th, Indianapolis Power & Light had an all-time, one-hour system peak of 2,199 MW.
- On July 9th, General Public Utilities reached a new high of 6,807 MW at 2:00 PM. And GPU's Metropolitan Edison hit a new high of 1,562 MW at the same time on the same day.
- Consumers Power set a record of 5,402 MW between 1:00 and 2:00 PM on July 20th. The utility's reserve margin fell to 12.5 percent, well below the electric power industry's standard of 22 percent. Said Gordon L. Heins, vice president of fossil and hydro operations, "This new peak arrived three years earlier than our own projections."
- In Chicago, Commonwealth Edison customers topped out at 15,367 MW on the same day. As if this wasn't enough, they went on to set a new demand record of 15,683 MW on August 3rd. John Hogan, an Edison spokesman, couldn't resist pointing out that both of these peaks surpassed a projection made in 1984 by the Business & Professional People for the Public Interest (BPI) to the Illinois Commerce Commission. In supporting a statement that Edison's newest generating units were unnecessary, BPI forecast that the peak reached on July 20th would not be needed until the year 2006.
- United Illuminating topped out on the fourth day of a five-day heat wave with a peak of 1,036 MW on July 24th. The New England Power Pool recorded a new summer peak of 17,059 MW for the six-state region. In addition to using its complete generating capacity, UI invoked all the demand-limiting techniques that were available.

Red-letter day

- And July 30th was a red-letter day for Missouri Public Service, with a load of 837 MW at 6:00 PM. That was 46 MW more than last year's (record) peak of 791 MW, which was also set on a July 30th.

PSNH teeters near bankruptcy; won't provide new services

MANCHESTER, NH—Public Service Co. of New Hampshire, weakened by continuing delays in obtaining an operating license for its Seabrook nuclear station and shut off from any new funds from Wall Street, moved closer to bankruptcy in late summer.

Requesting a $71-million (15 percent) emergency rate increase, the company said it may become the first utility since the Depression to seek bankruptcy protection. Although the company admitted it probably has enough cash to meet its normal requirements through the end of the year, it warned that it may be unable to pay a $40-million interest payment due October 1 on publicly-held debentures.

In addition, the company reported that it would not accept applications for new service after September 1. Without its requested rate relief, company President, Robert J. Harrison said PSNH no longer will be able to provide electricity to potential new customers in its rapidly growing service territory. The company simply is running out of money, he said.

PSNH's rate request would require regulators to accept part of the company's Seabrook nuclear plant investment in the company's ratebase. Since the plant is not operational, the New Hampshire Supreme Court would have to rule unconstitutional the 1979 state law that requires property to be "used and useful" before going into the ratebase. The utility has requested that the state PUC bring this question before the court.

About 27 percent of PSNH's investment in Seabrook would be reflected in the new rate, if approved by the commission. PSNH's total stake in the beleagured plant is 35.6 percent.

The company also is considering exchanging new securities for some outstanding debt. Although such a move will not be sufficient to ward off bankruptcy by itself, it could contribute to improved financial status in the future.

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EL&P's Electric Utility Caravan, a traveling trade show, provided an opportunity for more than 4000 utility and consultant/constructor engineers and operating personnel to see and discuss the product displays of 30 important suppliers to the electric utility industry on its five-week tour.

EL&P Caravan completes successful East Coast tour

BARRINGTON, IL—*Electric Light & Power's* touring trade show, the *EL&P* 1987 Electric Utility Caravan, has completed its successful tour of East Coast utilities.

More than 4000 engineers and operating personnel toured the Caravan, viewing the displays and discussing the products of the 30 participating suppliers of equipment for the electric power industry.

The Caravan made 49 stops at the offices of Eastern electric utilities and major engineering consultants and constructors. Forty-six separate organizations were visited during the five-week tour.

The Caravan, which initially was conducted by *EL&P* for several years in the early 1970s, was conducted in conjunction with Mobil Marketing Services.

High interest reported

Visitors to the Caravan, as well as exhibitors, expressed their pleasure with the Caravan and the quality of the displays.

An engineer for Potomac Edison said the Caravan "provides an excellent opportunity for our field staff and new engineers and others to become aware of what's new in our industry."

A New England Power Service Co. engineer expressed the hope that similar products would be exhibited on the Caravan's next visit.

An executive with Rochester Gas & Electric said, "I talked with several people who visited the vans and all found something of interest. Please let us know of your next Tour so we can be included."

Exhibitors also reported a high degree of satisfaction with their participation. Many reported not only top level contacts but said they had actually written orders on the spot. Others said they are responding now to requests for estimates, quotations and proposals.

1988 tour moved up

EL&P's 1988 Caravan tour, which was planned for the Fall next year, has been moved up to the Spring of 1988 as a result of the response of participants of the 1987 tour. Nineteen of the 30 1987 Caravan exhibitors already had signed up to participate in the 1988 tour, as of August 1.

The 1988 tour will visit utilities and architect-engineers from western Pennsylvania to Nebraska, and from Louisiana to the Canadian border.

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ASEA/Brown Boveri and PacifiCorp/Utah P&L mergers are signs of the times

Robert A. Lincicome
Editor-in-Chief

BARRINGTON, IL—Announcement of a plan to merge Sweden's giant heavy equipment manufacturer, ASEA AB, with Brown Boveri & Co., the big Swiss maker of heavy electrical apparatus, stirred both the electrical and financial industries in mid-August. That statement was followed close behind by announcement that the rumored merger of Utah Power & Light into PacifiCorp had been approved by both companies' boards of directors.

In the case of the ASEA/Brown Boveri merger, the result will be the creation of the world's largest heavy electrical apparatus supplier. For PacifiCorp/UP&L, the merger will create a utility that ranks 10th in terms of market value, 13th in kilowatthour sales and 22nd in terms of total capitalization.

Both mergers reflect financially strong, growing companies acquiring

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News Briefs

JILL MINNER, Assistant Editor

Wisconsin Electric asks PSC to approve rate decrease

● Wisconsin Electric Power Company (WE) has asked the Wisconsin Public Service Commission to approve its request for a 1.4 percent decrease in electric rates. WE said the decrease, which would total about $14.3 million, is possible because of lower-than-projected fuel costs, renegotiation of coal transportation contracts and reductions in the cost of purchased power. "We want to pass along to our customers as soon as possible the fuel cost savings we've been able to realize," stated WE Executive Vice President Tom Cassidy. The company's goal, Cassidy added, is to be the least-cost provider of quality energy services in the Midwest.

NCA predicts U.S. coal use will continue to increase in 1987

Electric Utilities Percent Generation By Fuel

	Coal	Oil	Natural Gas	Nuclear	Hydro	Electricity Growth Rate
1984	55.5	5.0	12.3	13.6	13.3	4.6
1985	56.8	4.1	11.8	15.5	11.4	2.2
1986	55.7	5.5	10.0	16.6	11.7	0.7
1987	55.3	5.3	9.8	17.6	12.0	2.0

Source: National Coal Association

● In its midyear review of coal markets, the National Coal Association (NCA) predicts that overall U.S. coal production and consumption in 1987 will be slightly higher than in 1986. Bituminous coal and lignite production is estimated to reach a record 897 million tons by the end of the year, and consumption should grow to 892 million tons, according to the forecast. Electric utilities are expected to use 694 million tons of coal this year, 9 million tons more than in 1986. However, NCA said coal's percentage of the generation market will decrease to 55.3 percent, down from 55.7 percent in 1986 (see table). The decrease is a result of more nuclear capacity coming on line in 1987, according to the association. NCA forecasts that overall electricity generation will rise 2 percent this year, with slightly lower growth occurring in the Midwest, and higher growth taking place in New England, the South and Southwest.

DOE designates October as Energy Awareness Month

● The Department of Energy (DOE) has scheduled its Seventh Annual National Energy Awareness campaign, *"Energy Security: Our Future Depends On It"*, for the entire month of October. In conjunction with Energy Awareness Month, the Federal Energy Management Program Awards and the Energy Innovation Awards will be presented by Secretary of Energy John S. Herrington. Campaign activities are being coordinated by DOE in cooperation with a steering committee. Organizations planning energy awareness activities or those interested in participating should contact Connie Boggs, DOE Division of Public Affairs, CP-24, MS 1E-200 FORSTL, U.S. Department of Energy, Washington, DC, 20585, or call (202) 586-6827.

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EL&P readers whose responsibilities include both Generation and Transmission/Distribution receive both technology sections. Other readers receive the technology section that applies to their respective area of responsibility. The Generation edition is indicated by a single dot (•) in the upper right corner of page 1; the T/D edition carries two dots (••). All readers receive EL&P's industry news section.

Republic of China inks $90M contract with Foster Wheeler

● According to Foster Wheeler Corporation, members of the 1987 Special Procurement Mission of the Republic of China recently signed a $90-million contract for two Foster Wheeler steam generators. The 550-MW units are to be used at the Taichung Power Project in Taiwan. Foster Wheeler said the contract, announced earlier this year, symbolizes the Republic of China's efforts to improve the balance of trade with the United States.

Niagara Mohawk Power Corp. eliminates 389 positions

● In an effort to reduce costs, Niagara Mohawk Power Corporation has abolished 389 jobs from its 8,400-member work force. The utility said, however, that the action only effects 149 employees because 240 of the jobs being eliminated are already vacant. Perry B. Woods, Jr., vice president-employee relations, said that the company's union workers recently voted down a management proposal to defer for 12-months a 4.5 percent wage increase. "That proposal also included a guarantee of no layoffs for union employees," Woods stated, "...[the union employees] understood when they voted that some people could lose their jobs as a result as we seek our goal of cutting our costs by $100 million in 1988." Woods added that further cuts will be necessary in the months ahead.

AIF merges with U.S. Council for Energy Awareness

● As part of a major industry reorganization, the Atomic Industrial Forum, Inc. (AIF) said it has been merged with the U.S. Council for Energy Awareness, Inc. (USCEA) to form a new USCEA. The new organization will combine the traditional AIF information functions with the advertising and public affairs outreach programs of the old USCEA, according to AIF. Current AIF President William J. Dircks will take the position of deputy director general for administration of the International Atomic Energy Agency in Vienna, Austria, on January 1, 1988. AIF expects the physical merger of the groups to be completed later this year.

NIPSCO celebrates 75th anniversary

Northern Indiana Public Service Company (NIPSCO) observed its 75th anniversary as a state corporation last month. NIPSCO, originally known as the Calumet Electric Company, started out serving the areas of Gary, Valparaiso and La Porte and today is the state's largest electric and gas utility, according to the company. Construction of NIPSCO's first generating unit (shown above) at the Michigan City Generating Station marked the beginning of an ambitious building program for the company in the 1930s.

Free cogen studies available to Atlantic Electric customers

● Atlantic Electric said it is offering a free feasibility study to its commercial and industrial customers who are interested in investigating their cogeneration potential. "The goal of the feasibility studies is to assess a customer's potential for cogeneration and provide them with a cost analysis for such a project," explained Meredith I. Harlacher, Jr., vice president of customer service. The studies, to be conducted by Concept Technology, Inc., will consider variables such as the customer's electrical and thermal loads and available space for locating equipment. A written analysis detailing total capital costs, net present value, cash flow analysis and return on investment will be provided for each customer, according to the utility. "As our cogeneration consultant," Harlacher explained, "Concept Technology will be expected to draw a conclusion from the study, suggesting a course of action to our customer." Concept Technology is a Princeton, New Jersey-based energy engineering firm that develops packaged cogeneration systems.